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COUNSEL TO DEBTORS
MCGINNIS LAND PARTNERS I, LP,
AND CANYON FALLS LAND PARTNERS, LP

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION**

In Re:	§ Chapter 11
	§
McGinnis Land Partners I, LP, and	§ Case No. 10-bk-34654-sgj
Canyon Falls Land Partners, LP	§ Case No. 10-bk-34655-sgj
	§
Debtors.	§ Jointly Administered Under
	§ Case No. 10-bk-34654

**EMERGENCY MOTION TO
(I) SET HEARING ON MOTION TO APPROVE STIPULATION;
(II) CONTINUE THE SALE HEARING; AND
(III) CONTINUE THE INTERIM HEARING ON THE FINANCING MOTION**

TO THE HONORABLE STACEY G. C. JERNIGAN, UNITED STATES BANKRUPTCY JUDGE:

McGinnis Land Partners I, LP, (“**McGinnis**”) and Canyon Falls Land Partners, L.P. (“**Canyon**” and collectively with McGinnis, the “**Debtors**”), hereby respectfully move the Court, on an emergency basis, to (I) set a hearing on the concurrently filed *Motion to Approve Stipulation* (the “**Stipulation Motion**”); (II) continue the Sale Hearing (hereinafter defined); and (III) continue the interim hearing on the Financing Motion (hereinafter defined) and respectfully state as follows:

1. On September 23, 2010, the Bankruptcy Court entered its Corrected Order (A) Approving Bidding Procedures for the Sale of All or Substantially All of the Debtors' Assets, (B) Scheduling Final Sale Hearing (C) Approving Form and Manner of Notice Thereof; and (D) Other Relief (the "**Bid Procedures Order**") [Docket No. 78], which set out, among other items, the procedures for an auction on December 9, 2010 at 10 a.m. (the "**Auction**") and for SLF IV / Hanover Canyon Falls, L.P. ("**SLF**") to credit bid its debt at the Auction. Moreover, the Bid Procedures Order set a Sale Hearing (as defined in the Bid Procedures Order) for **December 16, 2010, at 9:30 a.m.**

2. On December 6, 2010, the Debtors filed a Motion for Interim and Final Orders: (1) Authorizing Post-Petition Financing on a Secured Basis; and (2) Authorizing the Payoff of the Debtors' Existing Secured Debt (the "**Financing Motion**") [Docket No. 131]. Pursuant to the *Order Granting Emergency Motion to Set Interim Hearing On: Motion for Interim and Final Orders: (1) Authorizing Postpetition Financing on a Secured Basis; and (2) Authorizing the Payoff of the Debtors' Existing Secured Debt* entered on December 7, 2010, the interim hearing on the Financing Motion is also set for **December 16, 2010, at 9:30 a.m.** As stated in the Financing Motion, the Bid Procedures Order established a bid deadline of November 30, 2010, for interested parties to submit bids to acquire the Debtors' remaining real property. Two bids were received by the Debtors by the bid deadline. One bid was submitted by SLF, entirely as a credit bid. The other bid received was a cash bid in an amount less than the amount of SLF's credit bid. Thus, it became immediately apparent to the Debtors that the equity value in the Debtors' remaining real property might not be realized through the Auction process.

3. Thus, through the Financing Motion, the Debtors seek authority of the Bankruptcy Court to borrow \$22,000,000.00 on a secured basis from Highland Crusader

Offshore Partners, L.P., a Bermuda limited partnership (“**Crusader**”), an affiliate of one of the Debtors’ limited partners. Through the Financing Motion, the Debtors seek to use the funds borrowed from Crusader to, among other things, pay off the debt owed to SLF under the Loans.

4. As more fully explained in the concurrently filed Stipulation Motion, counsel for SLF has indicated SLF might object to the relief requested in the Financing Motion. The Debtors, Crusader, and SLF have engaged in various discussions, including, *inter alia*, an alternative whereby Crusader would purchase the Loans¹ from SLF rather than loaning funds to the Debtors to payoff the Loans.

5. In consideration of SLF agreeing to not object to the Financing Motion, and SLF agreeing to sell the Loans to Crusader, the Debtors, among other parties, have agreed to the terms outlined in the Stipulation.

6. The sale of the Loans by SLF to Crusader closed today. As part and parcel of that sale, the Debtors and SLF entered into the Stipulation that they now seek Court approval of.

7. Thus, it is imperative that the Stipulation Motion be heard as soon as possible. The Debtors respectfully request that the Court set the hearing on the Stipulation Motion for **Thursday, December 16, 2010, at 9:30 a.m. Central**. Moreover, in anticipation of the sale of the Loans closing and approval of the Stipulation, the Debtors may not need to move forward with either the Auction, the Sale Hearing or the interim hearing on the Financing Motion. However, for the time being, the Debtors respectfully request that the Sale Hearing and the interim hearing on the Financing Motion be continued to **Monday, December 20, 2010, at 1:30 p.m. Central**².

¹ All capitalized terms not defined herein shall have the meaning ascribed to them in the Stipulation Motion.

² Counsel for the Debtors currently have hearings set on their first interim fee applications for this date and time.

8. As stated in the Certificate of Conference below, SLF has no objection to the relief requested herein. In addition to serving this Emergency Motion and the Stipulation Motion via Federal Express overnight delivery on the Master Service List, the Debtors will also reach out specifically to the U.S. Trustee and the two unsecured creditors in these cases to determine whether either objects to the relief requested herein. If so, counsel for the Debtors will advise the Court of the same at the hearing on the Stipulation Motion.

WHEREFORE the Debtors respectfully request that this Court enter an order (a) granting this Emergency Motion; (b) setting a hearing on the Stipulation Motion for **December 16, 2010, at 9:30 a.m.**; (c) continuing the Sale Hearing until **December 20, 2010, at 1:30 p.m. Central**; and (d) continuing the interim hearing on the Financing Motion until **December 20, 2010, at 1:30 p.m. Central**.

Dated: December 15, 2010

COLE, SCHOTZ, MEISEL,
FORMAN & LEONARD, P.A.

By: /s/ Michael D. Warner
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**Counsel for the Debtors
and Debtors in Possession**

CERTIFICATE OF CONFERENCE

SLF has no objection to the relief requested as set forth herein.

/s/ Michael D. Warner

Michael D. Warner